



Public Schools of North Carolina

SPD

Maintenance of Effort (MOE)

Section Training

**NC Department of Public Instruction
Exceptional Children Division
Special Programs and Data Section**

Keashia Walker

June 29, 2020

“Professional Learning is

defined as on-going engagement through a comprehensive, sustained and intensive approach to improve participants’ effectiveness by advancing their skills or expertise.”

Hirsch, 2009



Agenda

Special Programs and Data Section's Maintenance of Effort

Training: June 29th 9:00 – 12:00

Opening Comments
Maintenance of Effort Fundamentals
MOE Eligibility
MOE Compliance
MOE Methods
Subsequent Year
Reduction Allowances
Q&A
Closeout

Review: June 30th 9:00 – 12:00

MOE Training Recap
MOE Calculator
MOE Eligibility
MOE Compliance
Exception Letter
MOE Change Request
Next Steps
Closeout



MOE Pre-Assessment (PollEV)

<https://PollEv.com/surveys/wilRoAs4gLfcxMSHo1hRt/respond>

- Select a name you want to represent you. Not your real name.
- Hit continue
- For each question select one answer and hit next to advance to the next question.





Maintenance of Effort (MOE) & MOE Regulations

LEA MOE:

Why Is It Required and What Does It Mean?

- LEA MOE is required to ensure that LEAs do not replace state/local funding with federal funds.
- Maintaining effort means that, in each year for the education of children with disabilities, an LEA:
 - Budgets at least as much as it expended in the most recent year it met LEA MOE.
 - Expends at least as much as it expended in the most recent year it met LEA MOE.



Why Require MOE?

- Purpose of LEA MOE
 - Help ensure FAPE
 - Ensure sufficient funds to serve students with disabilities
 - Examines use of state and local dollars
- Parallel Requirement of Maintenance of State Financial Support (MFS)
 - Provide steady source of available funds for LEAs to provide FAPE



Maintenance of Fiscal Effort (MOE)

- Funds provided to an LEA under Part B of the IDEA must not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from state and/or local funds below the level of those expenditures for the preceding fiscal year without allowable justification.
- LEAs must expend at least as much as they did the previous year on the education of children with disabilities



Overview of the LEA MOE Regulations

- 34 CFR §300.203 Maintenance of effort
 - (a) Eligibility Standard
 - (b) Compliance Standard
- 34 CFR §300.204 Exception to maintenance of effort
- 34 CFR §300.205 Adjustment to local fiscal efforts in certain fiscal years
- 34 CFR §300.203 Maintenance of effort
 - (c) Subsequent years
 - (d) Consequences of failure to maintain effort



MAINTENANCE OF EFFORT (MOE)

- **Two Standards:**

- **Eligibility/Budget** (§ 300.203(a)): Must budget at least as much as they expended in last year for which information available
- **Compliance/Expenditures** (§ 300.203(b)): Must actually expend at least as much as they expended in previous (comparison year)

more on this later



LEA MOE Regulation: 34 CFR §300.203(a)(1)

Eligibility standard. (1) For purposes of establishing the LEA's eligibility for an award for a fiscal year, the SEA must determine that the LEA budgets, for the education of children with disabilities, at least the same amount, from at least one of the four methods, as the LEA spent for that purpose from the same source for the most recent fiscal year for which **information is available**.

LEA MOE Regulation: 34 CFR §300.203(b)

Compliance standard. (1) Except as provided in 34 CFR §§300.204 and 300.205, funds provided to an LEA under Part B of the Act must not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from local, or State and local, funds below the level of those expenditures for the preceding fiscal year.

MOE at a Glance

Fiscal Year	State and Local Funds Spent on SWD (Level of Effort)	Required Level of Effort	Met MOE?
2015-2016		\$0	N/A New Charter School
2016-2017		\$20,000	
2017-2018			
2018-2019			
2019-2020			



MOE at a Glance

Fiscal Year	State and Local Funds Spent on SWD (Level of Effort)	Required Level of Effort	Met MOE?
2015-2016		\$0	N/A New Charter School
2016-2017	\$20,000	\$20000	
2017-2018			
2018-2019			
2019-2020			



MOE at a Glance

Fiscal Year	State and Local Funds Spent on SWD (Level of Effort)	Required Level of Effort	Met MOE?
2015-2016		\$0	N/A New Charter School
2016-2017	\$20000	\$20000	Yes
2017-2018	\$20200	\$20000	
2018-2019			
2019-2020			



MOE at a Glance

Fiscal Year	State and Local Funds Spent on SWD (Level of Effort)	Required Level of Effort	Met MOE?
2015-2016		\$0	N/A New Charter School
2016-2017	\$20000	\$20000	Yes
2017-2018	\$20200	\$20000	Yes
2018-2019		???	
2019-2020			



MOE at a Glance

Fiscal Year	State and Local Funds Spent on SWD (Level of Effort)	Required Level of Effort	Met MOE?
2015-2016		\$0	N/A New Charter School
2016-2017	\$20000	\$20000	Yes
2017-2018	\$20200	\$20000	Yes
2018-2019	\$20000	\$20200	
2019-2020			



MOE at a Glance

Fiscal Year	State and Local Funds Spent on SWD (Level of Effort)	Required Level of Effort	Met MOE?
2015-2016		\$0	N/A New Charter School
2016-2017	\$20000	\$20000	Yes
2017-2018	\$20200	\$20000	Yes
2018-2019	\$20000	\$20200	No
2019-2020		???	



MOE at a Glance

Fiscal Year	State and Local Funds Spent on SWD (Level of Effort)	Required Level of Effort	Met MOE?
2015-2016		\$0	N/A New Charter School
2016-2017	\$20000	\$20000	Yes
2017-2018	\$20200	\$20000	Yes
2018-2019	\$20000	\$20200	No
2019-2020	\$20200	\$20200	Yes





Chat About It





MOE

Comparison/Subsequent Year

Comparison Year

- Refers to the fiscal year that an LEA uses to determine the amount of local, or State and local, funds it must budget or spend, in order to meet both the LEA MOE eligibility and compliance standards.
- The comparison year differs for each standard, and may be affected by the Subsequent Years rule.



Comparison Year

- **Eligibility:**
 - regardless of the method used to meet the eligibility standard, reference the most recent fiscal year for which information is available.
 - if the LEA had an MOE failure, the SEA would be required to identify the correct comparison year in order to determine whether the LEA has met the eligibility standard
 - utilizing the Subsequent Years rule, the SEA would determine the most recent fiscal year in which the LEA met MOE and for which it has information available.



Comparison Year

- Compliance:

- identify the amount of funds the LEA expended in the most recent fiscal year in which the LEA met the compliance standard using that same method.
- “the preceding fiscal year,” the last fiscal year in which the LEA met MOE, regardless of whether the LEA is seeking to establish compliance based on local funds only, or based on State and local funds
- using one particular method the LEA must be able to identify the amount of funds that the LEA expended in the most recent fiscal year in which the LEA met the compliance standard using that same method.



Subsequent Year Rule: 34 CFR §300.203 (c)

- **Maintenance of Effort Subsequent Years:** Describes the Subsequent Years rule as it relates to LEA MOE and the four methods for calculating LEA MOE so that the SEA can determine how to provide TA to LEAs that must maintain effort under 34 CFR §300.203.

“...the level of expenditures required of the LEA for the fiscal year subsequent to the year of the failure is the amount that would have been required in the absence of that failure, not the LEA’s reduced level of expenditures.”



Subsequent Years Rule

- To determine required level of effort, LEAs must look back to the **last year** in which effort was **maintained**
- Defines what level of effort an LEA must meet in order to maintain effort in the year **after an MOE failure**
- Level of effort that would have been **required in the absence of that failure**, not the LEA's reduced level of expenditures



Subsequent Years Rule

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2015-2016	\$1000	\$1000	YES
2016-2017			
2017-2018			
2018-2019			
2019-2020			



Subsequent Years Rule

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2015-2016	\$1000	\$1000	YES
2016-2017	\$900	\$1000	NO
2017-2018			
2018-2019			
2019-2020			



Subsequent Years Rule

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2015-2016	\$1000	\$1000	YES
2016-2017	\$900	\$1000	NO
2017-2018		\$1000	
2018-2019			
2019-2020			



Subsequent Years Rule

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2015-2016	\$1000	\$1000	YES
2016-2017	\$900	\$1000	NO
2017-2018	\$900	\$1000	NO
2018-2019			
2019-2020			



Subsequent Years Rule

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2015-2016	\$1000	\$1000	YES
2016-2017	\$900	\$1000	NO
2017-2018	\$900	\$1000	NO
2018-2019		\$1000	
2019-2020			



Subsequent Years Rule

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2015-2016	\$1000	\$1000	YES
2016-2017	\$900	\$1000	NO
2017-2018	\$900	\$1000	NO
2018-2019	\$1100	\$1000	YES
2019-2020			



Subsequent Years Rule

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2015-2016	\$1000	\$1000	YES
2016-2017	\$900	\$1000	NO
2017-2018	\$900	\$1000	NO
2018-2019	\$1100	\$1000	YES
2019-2020		\$1100	



Subsequent Years Rule

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2015-2016	\$1000	\$1000	YES
2016-2017	\$900	\$1000	NO
2017-2018	\$900	\$1000	NO
2018-2019	\$1100	\$1000	YES
2019-2020	\$1000	\$1100	NO



Subsequent Years Rule

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2015-2016	\$1000	\$1000	YES
2016-2017	\$900	\$1000	NO
2017-2018	\$900	\$1000	NO
2018-2019	\$1100	\$1000	YES
2019-2020	\$1000	\$1100	NO
2020-2021		\$1100	



Subsequent Years Rule

- To determine required level of effort, LEAs must **look back** to the last year in which effort was maintained
- LEAs **must** look back to the last year in which effort was maintained **using the same method by which compliance was established**





Public Schools of North Carolina

Maintenance of Effort Methods

FOUR MOE METHODS

- Total amount of state and local funds
- Total amount of local funds
- Per capita amount of state and local funds
- Per capita amount of local funds



MOE Methods

Fiscal Year	Local only	State and Local	Local only per capita	State and Local per capita	Child count
2017	\$500	\$950	\$50	\$95	10
2018					
2019					



MOE Methods

Fiscal Year	Local only	State and Local	Local only per capita	State and Local per capita	Child count
2017	\$500	\$950	\$50	\$95	10
2018	\$400 ✗	\$950 ✓	\$40 ✗	\$95 ✓	10
2019					



MOE Methods

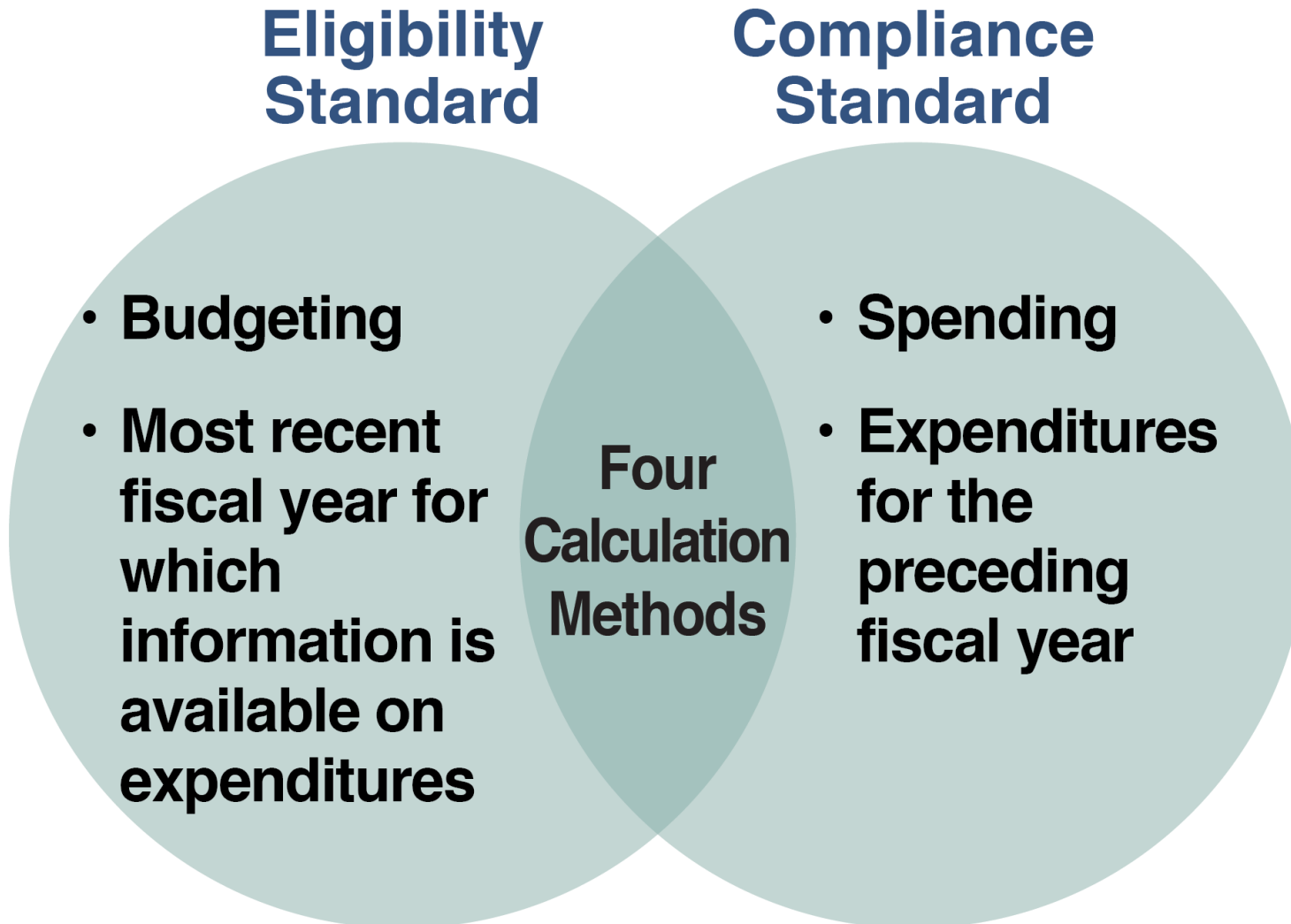
Fiscal Year	Local only	State and Local	Local only per capita	State and Local per capita	Child count
2017	\$500	\$950	\$50	\$95	10
2018	\$400 ✗	\$950 ✓	\$40 ✗	\$95 ✓	10
2019	\$500 ✓	\$900 ✗	\$50 ✓	\$90 ✗	10



Recap

- Budget as much as expended in the most recent state fiscal year for which information is available and in which LEA MOE is met.
- Expend as much as expended in the most recent state fiscal year in which LEA MOE is met.
- Two sources of funds and four methods of calculation.
- Method can change SFY to SFY; comparison year method must match current SFY method.

Check Your Understanding



A large, orange, 3D-style speech bubble with a gradient from light orange to dark orange. It has a tail pointing towards the bottom right.

Chat About It





Public Schools of North Carolina

Maintenance of Effort Eligibility

Eligibility Activity I



#of people traveling with you	Upcoming Vacation	Last Vacation Cost
How much will it cost you Total (during the vacation period and in advance)		
How much will you pay in advance		
How much will it cost per person total (during the vacation period and in advance per person)		
How much will it cost you in advance per person		

MAINTENANCE OF EFFORT (MOE)

- **Two Standards:**
 - **Eligibility/Budget (§ 300.203(a))**: Must budget at least as much as they expended in last year for which information available
 - Compliance/Expenditures (§ 300.203(b)): Must actually expend at least as much as they expended in previous (comparison year)- more on this later



Eligibility/Budget Standard

- A budget test established to assist with determining qualification for the Part B Subgrant
- LEA submits budget data in order to determine whether the LEA has met the eligibility standard,
- LEA is budgeting for the education of children with disabilities, the LEA selects a method by which it intends to meet the eligibility standard.







Eligibility Standard

Fiscal Year	Child Count	Local Only	Local Only MOE Result	State & Local	State & Local MOE Result	Local Only Per Capita	Local Only Per Capita MOE Result	State & Local Per Capita	State & Local Per Capita MOE Result
2017	10	\$500	Met	\$1,000	Met	\$50	Met	\$100	Met
2018	10	\$450		\$1,000		\$45		\$100	
2019	---								
Required 2020 Budget									




Eligibility Standard

Fiscal Year	Child Count	Local Only	Local Only MOE Result	State & Local	State & Local MOE Result	Local Only Per Capita	Local Only Per Capita MOE Result	State & Local Per Capita	State & Local Per Capita MOE Result
2017	10	\$500	Met	\$1,000	Met	\$50	Met	\$100	Met
2018	10	\$450		\$1,000		\$45		\$100	
2019	---	---	---	---	---	---	---	---	---
Required 2020 Budget									




Eligibility Standard

Fiscal Year	Child Count	Local Only	Local Only MOE Result	State & Local	State & Local MOE Result	Local Only Per Capita	Local Only Per Capita MOE Result	State & Local Per Capita	State & Local Per Capita MOE Result
2017	10	\$500	Met	\$1,000	Met	\$50	Met	\$100	Met
2018	10	\$450	Not Met	\$1,000	Met	\$45	Not Met	\$100	Met
2019	---	---	---	---	---	---	---	---	---
Required 2020 Budget	10	\$500							




Eligibility Standard

Fiscal Year	Child Count	Local Only	Local Only MOE Result	State & Local	State & Local MOE Result	Local Only Per Capita	Local Only Per Capita MOE Result	State & Local Per Capita	State & Local Per Capita MOE Result
2017	10	\$500	Met	\$1,000	Met	\$50	Met	\$100	Met
2018	10	\$450	Not Met	\$1,000	Met	\$45	Not Met	\$100	Met
2019	---	---	---	---	---	---	---	---	---
Required 2020 Budget	10	\$500	Met	\$1,000					




Eligibility Standard

Fiscal Year	Child Count	Local Only	Local Only MOE Result	State & Local	State & Local MOE Result	Local Only Per Capita	Local Only Per Capita MOE Result	State & Local Per Capita	State & Local Per Capita MOE Result
2017	10	\$500	Met	\$1,000	Met	\$50	Met	\$100	Met
2018	10	\$450	Not Met	\$1,000	Met	\$45	Not Met	\$100	Met
2019	---	---	---	---	---	---	---	---	---
Required 2020 Budget	10	\$500	Met	\$1,000	Met	\$50			



Eligibility Standard

Fiscal Year	Child Count	Local Only	Local Only MOE Result	State & Local	State & Local MOE Result	Local Only Per Capita	Local Only Per Capita MOE Result	State & Local Per Capita	State & Local Per Capita MOE Result
2017	10	\$500	Met	\$1,000	Met	\$50	Met	\$100	Met
2018	10	\$450	Not Met	\$1,000	Met	\$45	Not Met	\$100	Met
2019	---	---	---	---	---	---	---	---	---
Required 2020 Budget	10	\$500	Met	\$1,000	Met	\$50	Met	\$100	



Check Your Knowledge: Eligibility

Pick one response to the following:

To make sure I'm eligible for my IDEA subgrant, I have to budget at least as much as I...

- (1) intend to spend next year.
- (2) spent for the same purpose from the same source last year.
- (3) spent for the same purpose from the same source in the most recent year for which I have information available.
- (4) spent for the same purpose from the same source in the most recent year for which I have information available and met MOE.

Check Your Knowledge

Pick one response to the following:

To make sure I'm eligible for my IDEA subgrant, I have to budget at least as much as I...

- ~~(1) intend to spend next year.~~
- (2) spent for the same purpose from the same source last year.
- (3) spent for the same purpose from the same source in the most recent year for which I have information available.
- (4) spent for the same purpose from the same source in the most recent year for which I have information available and met MOE.

Check Your Knowledge

Pick one response to the following:

To make sure I'm eligible for my IDEA subgrant, I have to budget at least as much as I...

- ~~(1) intend to spend next year.~~
- ~~(2) spent for the same purpose from the same source last year.~~
- (3) spent for the same purpose from the same source in the most recent year for which I have information available.
- (4) spent for the same purpose from the same source in the most recent year for which I have information available and met MOE.

Check Your Knowledge

Pick one response to the following:

To make sure I'm eligible for my IDEA subgrant, I have to budget at least as much as I...

- ~~(1) intend to spend next year.~~
- ~~(2) spent for the same purpose from the same source last year.~~
- ~~(3) spent for the same purpose from the same source in the most recent year for which I have information available.~~
- (4) spent for the same purpose from the same source in the most recent year for which I have information available and met MOE.**



Public Schools of North Carolina

Maintenance of Effort Compliance

MAINTENANCE OF EFFORT (MOE)

- **Two Standards:**
 - Eligibility/Budget (§ 300.203(a)): Must budget at least as much as they expended in last year for which information available
 - **Compliance/Expenditures (§ 300.203(b))**: Must actually expend at least as much as they expended in previous (comparison year)- more on this later



Compliance/Expenditures Standard

- an expenditure test to determine whether an LEA, met the requirement to maintain effort in a particular fiscal year
- an LEA must maintain (or increase) the amount of local, or State and local funds, it spends for the education of children with disabilities when compared to the preceding fiscal year, except as provided in §§300.204 and 300.205.



NC CCIP MOE Expenditure Standard Section

Sections

Pocosin Innovative Charter (94A) Charter District - FY 2021 - IDEA - Rev 0

Application Status: [Draft Started](#)

Change Status To: [Draft Completed](#)

[View NCDPI History Log](#)

[View Change Log](#)

Description ([View Sections Only](#) [View All Pages](#))

All
<input type="checkbox"/> History Log
History Log
Create Comment
<input type="checkbox"/> Allotments
Allotments
<input type="checkbox"/> Contacts
Contacts
<input type="checkbox"/> IDEA Basic - 611 (PRC 060) - Application
Introduction
Maintenance of Effort - Budget
Private School
CEIS
Narrative
Required Components
Public Notice
Related Documents
<input type="checkbox"/> IDEA Basic - 611 (PRC 060) - Budget
Budget
<input type="checkbox"/> IDEA Preschool - 619 (PRC 049) - Application
Introduction
Use of Funds
Related Documents
<input type="checkbox"/> Maintenance of Effort - Expenditures
Maintenance of Effort - Expenditures
Related Documents
<input type="checkbox"/> Assurances
Program, Budget and Fiscal Audit Assurances
Debarment Assurance
<input type="checkbox"/> IDEA Checklist
IDEA Checklist
All



MOE Calculation Form Example:

Fiscal Year 2017-18

Description	Purpose Code	State Fund Expenditure Amount	Local Fund Expenditure Amount	Total State and Local Fund
PRC 032 w/ all Purpose codes		\$ 6,000.00		\$ 6,000.00
PRC 029 w/ all Purpose codes		\$ 12,000.00		\$ 12,000.00
PRC 063 w/ all Purpose codes				\$ -
Other PRCs w/ Purpose code	521 0	\$ 30,286.98	\$ 2,895.00	\$ 33,181.98
Other PRCs w/ Purpose code	522 0			\$ -
Other PRCs w/ Purpose code	523 0			\$ -
Other PRCs w/ Purpose code	524 0			\$ -
Other PRCs w/ Purpose code	525 0			\$ -
Other PRCs w/ Purpose code	528 0			\$ -
Other PRCs w/ Purpose code	529 0			\$ -
Other PRCs w/ Purpose code	584 0			\$ -
Other PRCs w/ Purpose code	620 1			\$ -
Other PRCs w/ Purpose code	620 2			\$ -
Other PRCs w/ Purpose code	620 3			\$ -
Other PRCs w/ Purpose code	620 4			\$ -
Other PRCs w/ Purpose code	620 5			\$ -
Special Transportation Fund	655	\$ 159,327.39	\$ 17,851.83	\$ 177,179.22
		\$ 207,614.37	\$ 20,746.83	\$ 228,361.20

December 2017 Child Count: 31 \$ 669.25 \$ 7,366.49

Fiscal Year 2018-19

Description	Purpose Code	State Fund Expenditure Amount	Local Fund Expenditure Amount	Total State and Local Fund
PRC 032 w/ all Purpose codes		\$ 7,000.00		\$ 7,000.00
PRC 029 w/ all Purpose codes		\$ 10,000.00		\$ 10,000.00
PRC 063 w/ all Purpose codes				\$ -
Other PRCs w/ Purpose code	521 0	\$ 74,032.13	\$ 947.50	\$ 74,979.63
Other PRCs w/ Purpose code	522 0			\$ -
Other PRCs w/ Purpose code	523 0			\$ -
Other PRCs w/ Purpose code	524 0			\$ -
Other PRCs w/ Purpose code	525 0			\$ -
Other PRCs w/ Purpose code	528 0			\$ -
Other PRCs w/ Purpose code	529 0			\$ -
Other PRCs w/ Purpose code	584 0			\$ -
Other PRCs w/ Purpose code	620 1			\$ -
Other PRCs w/ Purpose code	620 2			\$ -
Other PRCs w/ Purpose code	620 3			\$ -
Other PRCs w/ Purpose code	620 4			\$ -
Other PRCs w/ Purpose code	620 5			\$ -
Special Transportation Fund	655	\$ 318,182.40	\$ 55,538.58	\$ 373,720.98
		\$ 409,214.53	\$ 56,486.08	\$ 465,700.61

December 2018 Child Count: 51 \$ 1,107.57 \$ 9,131.38

Person Completing Form:

Name: Jane Doe, Director
 LEA: Sample County Schools
 Email: doe@samplecounty.com



MOE Activity

- You have two tasks using the example data:
 - Fill in the missing cells
 - Determine all the calculation methods the LEA could have used to meet MOE in each year
- Assume that the LEA met MOE using all four calculation methods in the first year
- Review in 5 minutes



Example Data

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child count
2016	\$10,500	\$21,000			10
2017	\$10,400	\$21,600			8
2018			\$1,065	\$2,150	10
2019	\$10,800	\$22,200			12
2020			\$890	\$2,200	10



Example Data

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child count
2016	\$10,500 ✓	\$21,000 ✓	\$1,050 ✓	\$2,100 ✓	10
2017	\$10,400 ✗	\$21,600 ✓	\$1,300 ✓	\$2,700 ✓	8
2018	\$10,650 ✓	\$21,500 ✗	\$1,065 ✗	\$2,150 ✗	10
2019	\$10,800 ✓	\$22,200 ✓	\$900 ✗	\$1,850 ✗	12
2020	\$8,900 ✗	\$22,000 ✗	\$890 ✗	\$2,200 ✗	10





Public Schools of North Carolina

Maintenance of Effort Reduction Allowances

USE OF EXCEPTIONS AND THE ELIGIBILITY STANDARD

- Prior regulations silent on applicability of exceptions and adjustments (§ 300.204 and § 300.205)
- New regulations explicitly allow LEAs to consider the exceptions:
 - to the extent the information is available;
 - exceptions taken in the intervening year; and
 - exceptions that LEAs reasonably expect to take in the fiscal year for which the LEA is budgeting



Exceptions and Adjustments to MOE

- Under IDEA, both standards allow reductions to the level of effort:
 - Exceptions (§ 300.204)
 - Adjustments (§ 300.205)
- Under both, reduced level retained moving forward



Exceptions: § 300.204(a)

- (a) The **voluntary** departure, by retirement or otherwise, or departure for **just cause**, of special education or related services personnel.
- Reductions in Force does not count
 - Reduction in LEA share of benefits do not count
 - Position-by-position basis; OR
 - Total salary of departing Special Education (SPED) teachers **minus** total salaries of new SPED teachers



Exceptions: § 300.204(b)

(b) A **decrease** in the enrollment of children with disabilities (December 1 Child Count).



Exceptions: § 300.204(c)

(c) The **termination of** the obligation of the agency, consistent with this part, to provide a program of special education to a particular child with a disability that is **an exceptionally costly program**, because the child—

- (1) Has left the jurisdiction of the agency;
- (2) Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated; **or**
- (3) No longer needs the program of special education.



No longer needs the program of special education

- Child no longer requires special education
- Or, new services and placement are less costly
 - in accordance with IEP
 - least Restrictive Environment (LRE)
 - parents are not disputing change in placement



Exception (c) Example 1

- An LEA sends a child with a disability to a private residential facility. The cost of this program is \$169,000.
 - Student no longer needs program as he graduated with a regular diploma last year.
- The LEA can reduce its MOE by \$169,000 in the current SFY.

Exception (c) Example 2

- An LEA sent a child with a disability to an in-state residential facility. The cost of this program was \$80,000.
 - IEP team determines residential facility services are no longer needed and changes the child's placement.
 - Under the new placement, the LEA provides services to the child for \$30,000.
- The LEA can reduce its MOE by \$50,000 (\$80,000 – \$30,000).

Exceptions: § 300.204(d)

(d) The termination of **costly expenditures** for **long-term** purchases, such as the acquisition of equipment or the construction of school facilities.

Long term= more than one year



Exceptions: § 300.204(e)

(e) The assumption of cost by the high cost fund operated by the SEA under § 300.704(c)

- Includes using federal dollars
 - from the high-cost funds
 - to assume a portion of the LEA's cost
 - for a high-need child



Exceptions — General

- It is permissible to take multiple exceptions in one year, as long as each exception applies in that year.
- An LEA may apply these exceptions to reduce its required MOE level and meet the compliance standard using any of the four methods.
- An LEA also may apply these exceptions to reduce its required MOE level and meet the eligibility standard using any of the four methods.

Exceptions & Adjustments

Fiscal Year	Original Required Level of Effort	Actual Level of Effort	Exceptions & Adjustments	Required Level of Effort	Met with Exception(s)
2016	\$500	\$500	N/A	\$500	N/A
2017					
2018					
2019					



Exceptions & Adjustments

Fiscal Year	Original Required Level of Effort	Actual Level of Effort	Exceptions & Adjustments	Required Level of Effort	Met with Exception(s)
2016	\$500	\$500	N/A	\$500	N/A
2017	\$500	\$400	N/A	\$500	✗
2018					
2019					



Exceptions & Adjustments

Fiscal Year	Original Required Level of Effort	Actual Level of Effort	Exceptions & Adjustments	Required Level of Effort	Met with Exception
2016	\$500	\$500	N/A	\$500	N/A
2017	\$500	\$400	N/A	\$500	✗
2018	\$500	\$450	\$50	\$450	✓
2019					



Exceptions & Adjustments

Fiscal Year	Original Required Level of Effort	Actual Level of Effort	Exceptions & Adjustments	Required Level of Effort	Met with Exception(s)
2016	\$500	\$500	N/A	\$500	N/A
2017	\$500	\$400	N/A	\$500	✗
2018	\$500	\$450	\$50	\$450	✓
2019	\$450	\$405	\$10 + \$10	\$430	✗



Exceptions: Reduction of Child Count

Fiscal Year	Child Count	Original Required Level of Effort	Actual Level of Effort	Exceptions & Adjustments (CC Reduction)	Reduction Amount	Required Level of Effort	Met with Exception(s)
2016	12	\$60	\$60	---	---	\$60	N/A
2017	10	\$60	\$55	$(\$60/12) \cdot 2$	\$10	\$50	✓
2018	5	\$55	\$53	$(\$60/10) \cdot 5$	\$30	\$25	✓
2019	4	\$53	\$40	$(\$55/5) \cdot 1$	\$11	\$42	✗



MOE Adjustments or Flexibility (§300.205)

- If the IDEA allocation increases, the LEA, if it meets certain conditions, may reduce its MOE level **up to fifty percent (50%) of the increase** in the allocation
- Conditions
 - Providing FAPE
 - Meets requirements (determinations)
 - Has not been identified with a significant disproportionality



Check Your Knowledge: Reduction Allowances

Pick one response to the following:

When determining if I'm eligible for an exception, I may reduce my MOE obligation for budgeting and expenditures if I have...

- (1) an enrollment reduction of IDEA-eligible children
- (2) a departure of staff voluntarily, compensated from federal funds
- (3) anticipated an allowable exception in the coming school year, such as the expected retirement of a staff member
- (4) Both items 1 and 3

Check Your Knowledge

Pick one response to the following:

When determining if I'm eligible for an exception, I may reduce my MOE obligation for budgeting and expenditures if I have...

- (1) an enrollment reduction of IDEA-eligible children**
- (2) a departure of staff voluntarily, compensated from federal funds
- (3) anticipated an allowable exception in the coming school year, such as the expected retirement of a staff member
- (4) Both items 1 and 3

Check Your Knowledge

When determining if I'm eligible for an exception, I may reduce my MOE obligation for budgeting and expenditures if I have...

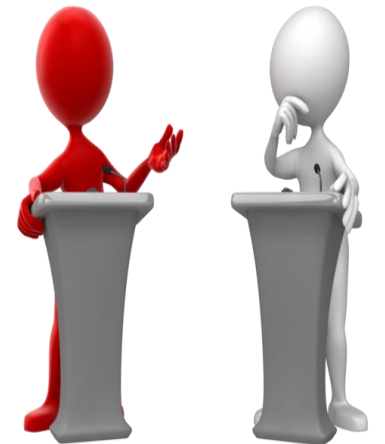
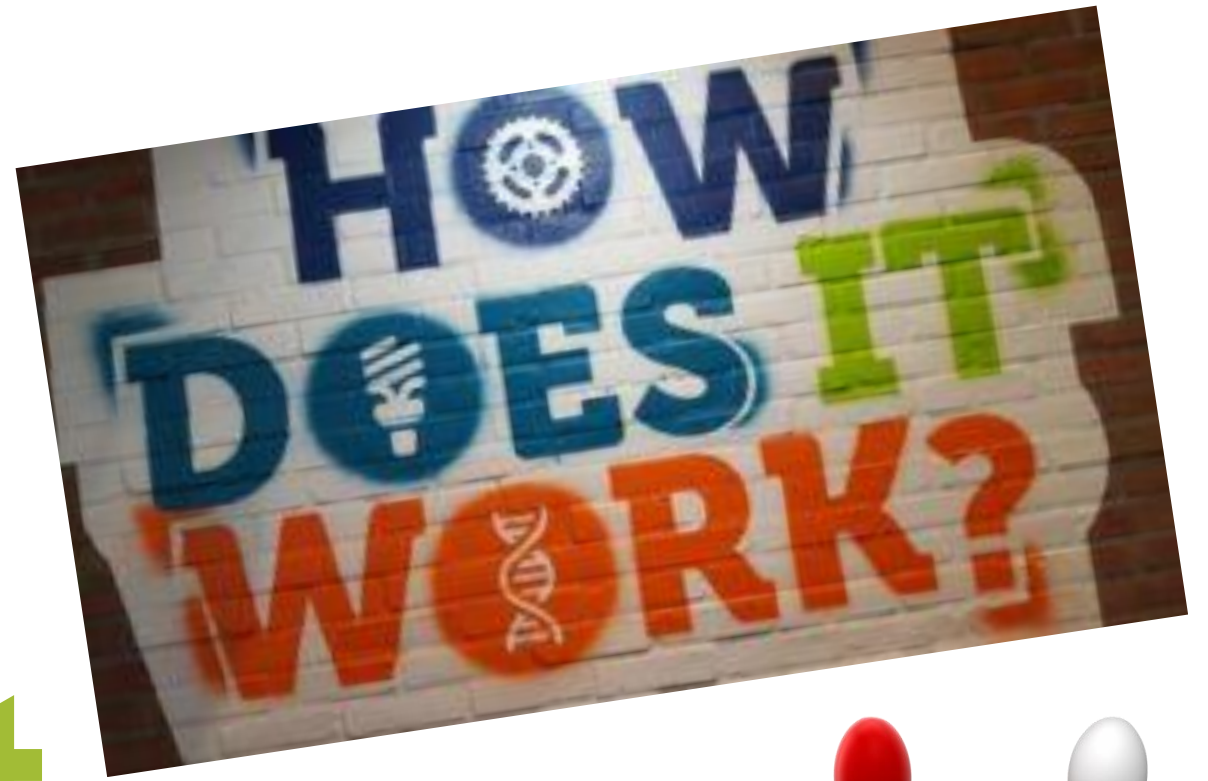
- (1) an enrollment reduction of IDEA-eligible children
- ~~(2) a departure of staff voluntarily, compensated from federal funds~~
- (3) anticipated an allowable exception in the coming school year, such as the expected retirement of a staff member
- (4) Both items 1 and 3

Check Your Knowledge

When determining if I'm eligible for an exception, I may reduce my MOE obligation for budgeting and expenditures if I have...

- (1) an enrollment reduction of IDEA-eligible children
- ~~(2) a departure of staff voluntarily, compensated from federal funds~~
- ~~(3) anticipated an allowable exception in the coming school year, such as the expected retirement of a staff member~~
- ~~(4) Both items 1 and 3~~

?Chat About It





Public Schools of North Carolina

Failure to Maintain Effort

Consequences for **NOT** Meeting MOE

- An LEA will not receive an IDEA Subgrant if it does not budget at least as much as expended in the most recent year it met MOE.
- Payback must be made from nonfederal funds or federal funds for which accountability to federal government is not required (GEPA 20 U.S.C. 1234a(a)(1) and (a)(2) and 1234(a)(1)).
- State must repay federal government the amount by which LEA failed to maintain effort (34 CFR §300.203(d)).
- State may or may not require the LEA to repay the state (depending upon state law).



Consequences of LEA Failure to Maintain Fiscal Effort

Eligibility/Budget

An LEA is not eligible to receive IDEA Part B funds until it has met the MOE eligibility (budget) standard.

If the SEA determines that the LEA is not eligible to receive a Part B subgrant, the SEA retains the Part B subgrant that the LEA would have received for that fiscal year, and the SEA is required to provide special education and related services directly to children with disabilities residing in the area served by that LEA pursuant to §300.227.

Consequences of LEA Failure to Maintain Fiscal Effort

Compliance/Expenditures

If an LEA fails to meet its MOE compliance (expenditure) standard, its state educational agency (SEA) must repay the U.S. Department of Education.

The state's repayment obligation is either the difference between what the LEA actually spent and what it should have spent to meet the MOE requirement, or the amount of the LEA's Part B subgrant for that fiscal year, whichever is lower.

Amount to be Repaid

...an amount equal to the amount by which the LEA failed to maintain its level of expenditures in accordance with paragraph (b) of this section in that fiscal year, or the amount of the LEA's Part B sub grant in that fiscal year, whichever is lower.

34 CFR§300.203(d)



MOE Post-Assessment (PollEV)


<https://PollEv.com/surveys/wilRoAs4gLfcxMSHo1hRt/respond>

- Select a name you want to represent you. Not your real name.
- Hit continue
- For each question select one answer and hit next to advance to the next question.



Closing Activity

Write About It!



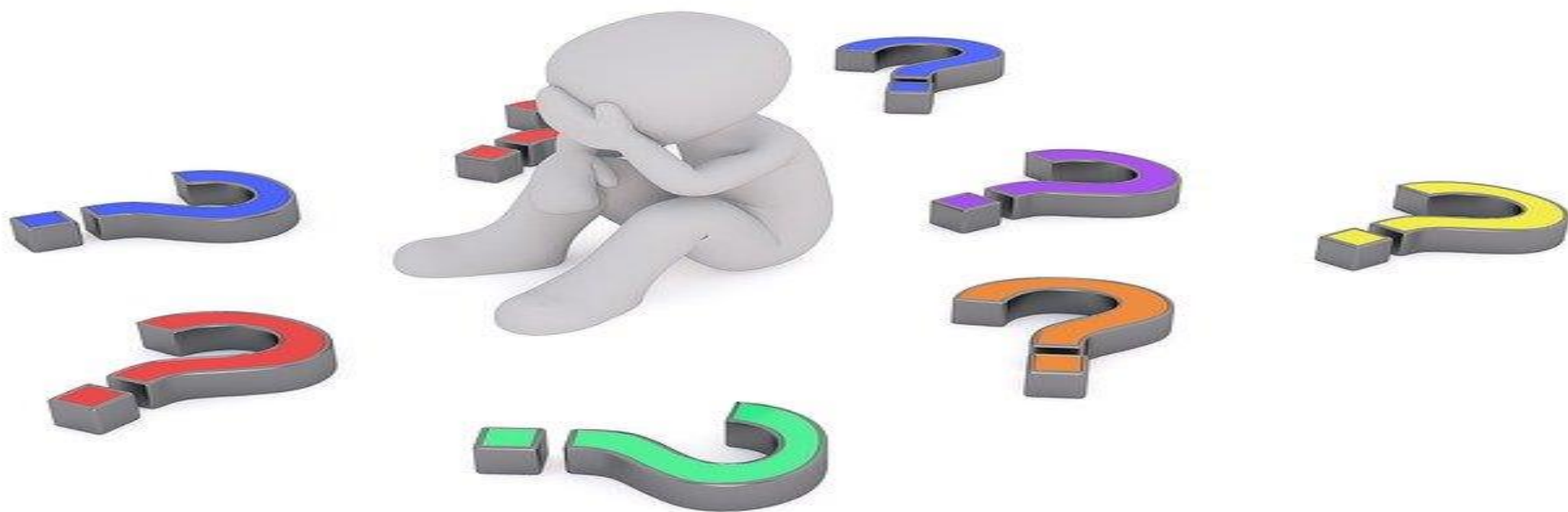
1. _____

2. _____

3. _____

1. What did you learn?
2. What surprised you?
3. How does this information impact your work?
4. What would you like to know more about?
5. In one word, describe how you feel about MOE at this moment?







Public Schools of North Carolina

SPD

Maintenance of Effort

Section Review

NC Department of Public Instruction
Exceptional Children Division
Special Programs and Data Section

Keashia Walker

June 30, 2020

Agenda

Special Programs and Data Section's Maintenance of Effort

Review: June 30th 9:00 – 12:00

MOE Training Review

MOE Calculator

MOE Eligibility

MOE Compliance

Exception Letter

MOE Change Request

Next Steps

Closeout





What did you learn?

- exceptions and adjustments
- exceptions and adjustments
- Why MOE is important and how to determine if it was met year to year.
- **Better** understanding of exceptions and adjustments
- **Better** understanding of Budget & Expenditures (4 options)
- I now understand why there are different tables in the grant application, there are 2 standards - and they are related but different- explains why they are separated in the grant application.



What surprised you?

- How little I knew!
- How easy per capita was to calculate
- How complicated MOE is... 4 methods, 2 standards, exceptions...
- LEAs only payback at state discretion
- SEA has to payback funds when MOE is not met
- Not surprised by any of the information presented



What would you like to know more about?

- Keep it coming, this is good stuff.
- More practice.
- How the calculations were made for the activity
- Hands-on practice
- Why would LEA change methods
- MOE Reductions and Allowances - more detailed information. Application - what do these areas look like when an LEA submits MOE with a reduction or allowance? How do I review and verify-anything special I need to know?



LEA MOE Is Based on the State Fiscal Year (SFY)

- SFY 2021
 - Runs from July 1, 2020 to June 30, 2021
 - Aligns with:
 - Federal fiscal year (FFY) 2020, and
 - The 2020–21 school year.

State FY2021 = Federal FY2020 = School Year 2020–21





Public Schools of North Carolina

Maintenance of Effort Calculator

Introduction to the MOE Calculator



Introduction to the MOE Calculator

CIFR MOE Calculator V1.3





Public Schools of North Carolina

Maintenance of Effort Budget/Eligibility Review

MOE Eligibility Review:

- Data Provided (DPI)
- Data Entered (LEA)
- Grant Computations



Maintenance of Effort - Budget

(a) Enter LEA budget for the education of students with disabilities. (34 CFR 203) Funds Budgeted FY 2020-2021 must equal or exceed funds spent from the same funding source for the most recent prior fiscal year for which information is available. If the budget level is reduced (Budget Reduction Amount is greater than 0), an exception and/or adjustment must be documented below in section (b) for an eligible reduction allowance.

Selected Budget Method 2020-2021		Selected MOE Method 2018-2019	
* Select...		State and Local Expenditures	

Methods for Determining Budget	(I) Funds Budgeted 2020-2021	(II) Funds Spent 2018-2019 Second Preceding Fiscal Year	Budget Reduction Amount 2020-2021
* Projected Child Count			
Total State and Local	\$ 19,512,801.24	\$19,512,801.24	\$ 19,512,801.24
Total Local Only	\$ 1,325,583.79	\$1,325,583.79	\$ 1,325,583.79
Per Child State and Local Total	\$ 0.00	\$6,335.33	\$ 6,335.33
Per Child Local Total Only	\$ 0.00	\$430.38	\$ 430.38

(b) Reduction Allowances - check all that apply

☐ 34 CFR §300.204 Exception:

* 300.204 Exception Options - must select at least one checkbox, if using this reduction allowance

☐ Voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel;
\$ * Exception Amount:
* Reason for Departure

☐ Decrease in the enrollment of children with disabilities;
\$ * Exception Amount:

☐ Termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities;
\$ * Exception Amount:

☐ Termination of an exceptionally costly obligation to a particular child with a disability because the child: - check all that apply
\$ * Exception Amount:
* Termination Options - must select at least one checkbox, if using this exception
☐ Has left jurisdiction;
☐ Has reached the age at which the obligation to provide a free appropriate public education (FAPE) to the child is terminated; or
☐ No longer needs the program of special education.

☐ Assumption of cost by a high cost fund operated by the State Education Agency under 34 CFR 300.704(c).
\$ * Exception Amount:

☐ 34 CFR §300.205 Adjustment

Total LEA Part B allocation under section 611 for current grant fiscal year exceeds the amount the LEA received for the previous fiscal year; and LEA meets the following criteria for reduction of no more than fifty percent (50%) of the amount of the excess which will be used for Elementary & Secondary Education Act (ESEA) activities:
Receives increase in total IDEA section 611 funds since the previous fiscal year;
"Meets Requirements" under IDEA section 618 determinations;
Has not had action taken against it by the state education agency under IDEA section 618;
Has not had responsibility for providing a free appropriate public education (FAPE) taken from it by the state education agency;
Has not been found by the state education agency to have significant disproportionality under 34 CFR §300.840; AND
elects permissive use of coordinated early intervening services (CEIS) under CFR §300.228, pursuant to this adjustment section the
- CEIS amount the LEA intends to use is less any amount reduced for the maintenance of fiscal effort and
- CEIS and reduction total amounts together do not exceed the lesser of the total amount available for the reduction (maximum 50% of excess amount) or CEIS (maximum 15% of total allocation under sections 611 and 619).

\$ * Adjustment Amount

☐ 34 CFR §300.203 (b) MOE - §300.200 LEA Eligibility

With certain exceptions under §300.204 and §300.205, an LEA budgets for the education of children with disabilities at least the same amount of funds as spent from those same sources in the most recent prior fiscal year for which information is available.

\$ * Adjustment Amount

Checking the box in this section documents ineligible budget reduction and a decrease of budgeted total or per child expenditures in the same funding source from the second preceding fiscal year, and assures, upon reporting of actual expenditures from the first preceding fiscal year, that budgeted expenditures will be amended to meet eligibility requirements; or reporting of budgeted expenditures for the established level of effort set before allowable expenditure reduction.





Maintenance of Effort Expenditure/Compliance Review

MOE Compliance Review:

- Data Provided (DPI)
- Data Entered (LEA)
- Grant Computations



* Selected MOE Method



Attach the MOE Calculation form. If section (b) is completed (reduction allowances), attach justification forms §300.204 and/or §300.205.

Documents		
Type	Document Template	Document/Link
IDEA MOE Calculation Form (Justification Forms) [Upload at least 1 document(s)]	IDEA MOE Calculation Form (Justification Forms)	

		(I) Funds Spent 2019-2020 First Preceding Fiscal Year Due by October 31st	(II) Funds Spent 2018-2019 Second Preceding Fiscal Year Figures on MOE calculation form must match figures below	MOE Reduction Amount 2019-2020
Methods for Determining MOE				
<div>3,158</div>	December Child Count			
Total State and Local Expenditures	*	\$ <div></div>	\$ 19,512,801.24	\$ 19,512,801.24
Total Local Expenditures Only	*	\$ <div></div>	\$ 1,325,563.79	\$ 1,325,563.79
Per Child State and Local Total Expenditures		\$ <div>0.00</div>	\$ 6,335.33	\$ 6,335.33
Per Child Local Total Expenditures Only		\$ <div>0.00</div>	\$ 430.38	\$ 430.38

(b) Reduction Allowances - check all that apply

☐ 34 CFR §300.204 Exception:

* 300.204 Exception Options - must select at least one checkbox, if using this reduction allowance

☐ Voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel;

\$ * Exception Amount

* Reason for Departure

☐ Decrease in the enrollment of children with disabilities;

\$ * Exception Amount

☐ Termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities;

\$ * Exception Amount

☐ Termination of an exceptionally costly obligation to a particular child with a disability because the child: (check all that apply)

\$ * Exception Amount

* Termination Options - must select at least one checkbox, if using this exception

☐ Has left jurisdiction;

☐ Has reached the age at which the obligation to provide a free appropriate public education (FAPE) to the child is terminated; or

☐ No longer needs the program of special education.

☐ Assumption of cost by a high cost fund operated by the State Education Agency under 34 CFR 300.704(c).

\$ * Exception Amount

☐ 34 CFR §300.205 Adjustment

Total LEA Part B allocation under section 611 for current grant fiscal year exceeds the amount the LEA received for the previous fiscal year; and LEA meets the following criteria for reduction of no more than fifty percent (50%) of the amount of the excess which will be used for Elementary & Secondary Education Act (ESEA) activities:

Receives increase in total IDEA section 611 funds since the previous fiscal year;

"Meets Requirements" under IDEA section 610 determinations;

Has not had action taken against it by the state education agency under IDEA section 610;

Has not had responsibility for providing a free appropriate public education (FAPE) taken from it by the state education agency;

Has not been found by the state education agency to have significant disproportionality under 34 CFR §300.646; AND

If elects permissive use of coordinated early intervening services (CEIS) under CFR §300.226, pursuant to this adjustment section the

- CEIS amount the LEA intends to use is less any amount reduced for the maintenance of fiscal effort and

- CEIS and reduction total amounts together do not exceed the lesser of the total amount available for the reduction (maximum 50% of excess amount) or CEIS (maximum 15% of total allocation under sections 611 and 619).

\$ * Adjustment Amount:

☐ 34 CFR §300.203 (a) MOE - §300.200 LEA Eligibility

Except as provided in 300.204 and 300.205, funds provided to an LEA under IDEA, Part B must not be used to reduce the level of expenditures for the education of children with disabilities below the level of expenditures for the preceding fiscal year.

\$ * Adjustment Amount

Checking the box in this section documents first preceding fiscal year decrease in all total and per child expenditures from the second preceding fiscal year resulting in failure to meet obligations under the MOE requirement with allowable reduction; or reporting of prior fiscal year expenditures for the established level of effort set before unallowable deduction.

☐ Reimbursement submitted to DPI



MOE Calculation Form Expenditure Data Tab

Fiscal Year 2017-18

Description	Purpose Code	State Fund Expenditure Amount	Local Fund Expenditure Amount	Total State and Local Fund
PRC 032 w/ all Purpose codes				\$ -
PRC 029 w/ all Purpose codes				\$ -
PRC 063 w/ all Purpose codes		\$ 2,286,740.39	\$ 39,118.11	\$ 2,325,858.50
Other PRCs w/ Purpose code	521 0			\$ -
Other PRCs w/ Purpose code	522 0			\$ -
Other PRCs w/ Purpose code	523 0			\$ -
Other PRCs w/ Purpose code	524 0		\$ 73,371.70	\$ 73,371.70
Other PRCs w/ Purpose code	525 0			\$ -
Other PRCs w/ Purpose code	528 0			\$ -
Other PRCs w/ Purpose code	529 0			\$ -
Other PRCs w/ Purpose code	584 0			\$ -
Other PRCs w/ Purpose code	620 1			\$ -
Other PRCs w/ Purpose code	620 2			\$ -
Other PRCs w/ Purpose code	620 3			\$ -
Other PRCs w/ Purpose code	620 4			\$ -
Other PRCs w/ Purpose code	620 5			\$ -
Special Transportation Funds	655			\$ -
		\$ 2,286,740.39	\$ 112,489.81	\$ 2,399,230.20

December 2017 Child Count: 73

\$ 1,540.96 \$ 32,866.17

Fiscal Year 2018-19

Description	Purpose Code	State Fund Expenditure Amount	Local Fund Expenditure Amount	Total State and Local Fund
PRC 032 w/ all Purpose codes				\$ -
PRC 029 w/ all Purpose codes				\$ -
PRC 063 w/ all Purpose codes		\$ 2,370,688.35	\$ 23,784.14	\$ 2,394,472.49
Other PRCs w/ Purpose code	521 0			\$ -
Other PRCs w/ Purpose code	522 0			\$ -
Other PRCs w/ Purpose code	523 0			\$ -
Other PRCs w/ Purpose code	524 0		\$ 100,768.37	\$ 100,768.37
Other PRCs w/ Purpose code	525 0			\$ -
Other PRCs w/ Purpose code	528 0			\$ -
Other PRCs w/ Purpose code	529 0			\$ -
Other PRCs w/ Purpose code	584 0			\$ -
Other PRCs w/ Purpose code	620 1			\$ -
Other PRCs w/ Purpose code	620 2			\$ -
Other PRCs w/ Purpose code	620 3			\$ -
Other PRCs w/ Purpose code	620 4			\$ -
Other PRCs w/ Purpose code	620 5			\$ -
Special Transportation Funds	655			\$ -
		\$ 2,370,688.35	\$ 124,552.51	\$ 2,495,240.86

December 2018 Child Count: 37

\$ 3,366.28 \$ 67,438.94



NC Department of Public Instruction
 Exceptional Children Division
 Individuals with Disabilities Education Act (IDEA)
 Grant Year 2019-20 for SY 2018-19

§300.204 Exception to Maintenance of Effort

A public school system may reduce the level of expenditures for the education of students with disabilities (SWD) in the public school system under IDEA Part B of the Act below the level of those expenditures for the preceding fiscal year if the reduction is attributable to any of the following:

- ☐ (a) The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel.
 Difference of salary & benefits of departed/replaced personnel: _____
Local Local/State

- ☐ (b) The termination of the obligation of the agency to provide special education to a particular student with a disability that is an exceptionally costly program due to any of the following reasons:
- ☐ Left the jurisdiction
☐ Aged out
☐ No longer needs special education
- Total: \$ _____ - \$ _____ -
Local Local/State

- ☐ (c) Termination of costly expenditures for long term purchases, such as equipment or construction of school facilities.
 Please explain: _____
Total: \$ _____ - \$ _____ -
 Local Local/State

- ☐ (d) The assumption of cost by the high cost fund operated by the SEA under §300.704
 2018-19 Risk Pool (PRC114) funds received: _____
\$ _____ -
 Local/State

- ☐ (e) A decrease in the enrollment of children with disabilities.
- | | | | | | | | |
|---------------------------------|---------------------------------|---|-----------|---|--|---|-------------------|
| 73 | 37 | = | 36 | X | \$ 1,540.96 | = | \$ 55,474.56 |
| December
2017 Child
Count | December
2018 Child
Count | | Reduced # | | Per Child Local
Expenditure for
SWD | | Total Local |
| | | | | | \$ 32,866.17 | = | \$ 1,183,182.12 |
| | | | | | Per Child
State/Local
Expenditure for
SWD | | Total Local/State |

Total: \$	55,474.56	\$	1,183,182.12
	Local		Local/State

Calculation Form Tab 300.204



Calculation Form Tab 300.205



§300.205 Adjustments to local fiscal efforts in certain fiscal years.

For any fiscal year for which the allocation received by a public school system, under §300.205 (a), exceeds the amount received for the previous fiscal year, the public school system may reduce the level of expenditures, otherwise required by §300.203 (b), by not more than 50% of the amount of that excess.

The following three requirements **must** be met for a public school system to consider reducing its Maintenance of Effort (MOE):

- ☐ The public school system has a performance determination of "Meets Requirements"
- ☐ The SEA has not taken responsibility for providing FAPE in the public school system
- ☐ The public school system is not identified as having Significant Disproportionality



If all three boxes are not marked do not continue!



To calculate the allowable reduction of expenditures of state and local funds for students with disabilities, please enter the following information:

2018-19 IDEA Allocation (PRC 060 only): \$ -

2017-18 IDEA Allocation (PRC 060 only):

Increase in IDEA Allocation: \$ -

Expenditures of state and local funds for the education of students with disabilities may be reduced by:

50% of increase in IDEA Allocation: \$ -

§300.205 (b) Use of amounts to carry out activities under ESSA. The public school system must use an amount of state/local funds equal to the reduction in expenditures above to carry out activities that could be supported with funds under the ESSA regardless of whether the public school system is using funds under the ESSA for those activities.

Indicate use of "freed up" state/local funds for activities and/or projects allowable under the ESSA:

- ☐ Improving Basic Programs Operated by LEAs
- ☐ Improving Student Reading Skills
- ☐ Education of Migratory Children
- ☐ Prevention and Intervention Programs for Neglected, Delinquent, or At Risk
- ☐ National Assessment
- ☐ Comprehensive School Reform
- ☐ Advanced Placement Programs
- ☐ School Drop-Out Prevention
- ☐ Preparing, Training, and Recruiting Highly Qualified Teachers and Principals
- ☐ Language Instruction for Limited English Proficient and Immigrant Students
- ☐ 21st Century Schools
- ☐ Promoting Informed Parental Choice and Innovative Programs
- ☐ Flexibility and Accountability
- ☐ Indian, Native Hawaiian, and Alaskan Native Education
- ☐ Impact Aid Program - School districts may use Impact Aid for a wide variety of expenses; including the salaries of teachers and teacher aides; purchasing textbooks, computers, and other equipment; after-school programs and remedial tutoring; advanced placement classes; and special



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Public Schools of North Carolina

Exceptions: § 300.204(a)

- (a) The **voluntary** departure, by retirement or otherwise, or departure for **just cause**, of special education or related services personnel.
- Reductions in Force does not count
 - Reduction in LEA share of benefits do not count
 - Position-by-position basis; OR
 - Total salary of departing Special Education (SPED) teachers **minus** total salaries of new SPED teachers



Exception (a) Example

- A veteran special education teacher retired and is replaced by a less-experienced special education teacher.
- The LEA expended \$150,000 in salary and benefits on the veteran teacher last school year, and will expend \$90,000 on the new hire in the current school year.
- The LEA can reduce its required level of effort by \$60,000 (\$150,000 – \$90,000) in the current school year.

Exceptions: § 300.204(b)

(b) A **decrease** in the enrollment of children with disabilities (December 1 Child Count).



Exception (b) Example: Reduction Based on Numeric Decline

[illegible]

Exception (b) Example: Reduction Based on Numeric Decline

[illegible]

Exception (b) Example: Reduction Based on Numeric Decline

Example	Calculation
Current SFY enrollment of children w/disabilities	550
Prior SFY enrollment of children w/disabilities	580
Change in enrollment of children w/disabilities	$(550 - 580) = -30$
Local only total: Prior SFY expenditures	\$5,752,983
Local only: Prior SFY per capita amount	$(\$5,752,983 / 580) = \$9,919$

Exception (b) Example: Reduction Based on Numeric Decline

Example	Calculation
Current SFY enrollment of children w/disabilities	550
Prior SFY enrollment of children w/disabilities	580
Change in enrollment of children w/disabilities	$(550 - 580) = -30$
Local only total: Prior SFY expenditures	\$5,752,983
Local only: Prior SFY per capita amount	$(\$5,752,983 / 580) = \$9,919$
Allowed local only total exception	$(\$9,919 \times 30) = \$297,568$

Exception (b) Example: Reduction Based on Numeric Decline

Example	Calculation
Current SFY enrollment of children w/disabilities	550
Prior SFY enrollment of children w/disabilities	580
Change in enrollment of children w/disabilities	$(550 - 580) = -30$
Local only total: Prior SFY expenditures	\$5,752,983
Local only: Prior SFY per capita amount	$(\$5,752,983 / 580) = \$9,919$
Allowed local only total exception	$(\$9,919 \times 30) = \$297,568$
State and local total: Prior SFY expenditures	\$8,704,693
State and local total: Prior SFY per capita	$(\$8,704,693 / 580) = \$15,008$
Allowed state and local total exception	$(\$15,008 \times 30) = \$450,243$

Exceptions: § 300.204(c)

(c) The **termination of** the obligation of the agency, consistent with this part, to provide a program of special education to a particular child with a disability that is **an exceptionally costly program**, because the child—

- (1) Has left the jurisdiction of the agency;
- (2) Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated; **or**
- (3) **No longer needs the program of special education.**



Exceptions: § 300.204(d)

(d) The termination of **costly expenditures** for **long-term** purchases, such as the acquisition of equipment or the construction of school facilities.

Long term= more than one year



Exception (d) Example

- LEA expends funds for a two-year construction contract to retrofit and renovate a building for special education purposes.

Year	Cost (\$)
Year 1	70,000
Year 2	100,000
Year 3	N/A

- The LEA can reduce its level of effort by \$100,000 in Year 3.

Exceptions: § 300.204(e)

(e) The assumption of cost by the high cost fund operated by the SEA under § 300.704(c)

- Includes high cost funds financed through federal IDEA funds



Exception (e) Example:

Here, a hypothetical state uses federal dollars from a high-cost fund to assume a portion of an LEA's cost for a high-need child.

Source of amounts	Amounts (\$)
State Average Per Pupil Expenditure (APPE)*	5,000
High-cost fund threshold (3 x APPE)	15,000
Current expenditures for a specific child whose cost was covered by the LEA in the preceding SFY	25,000
Expenditures for the child that were assumed by the state's high-cost fund (\$25,000 – \$15,000)	10,000
Amount that the LEA can reduce its MOE in the year the costs for the child were assumed by the SEA	10,000

* This amount is an example amount only. It is not an official APPE.

Calculating Allowed Exceptions: Total Methods

Total allowed exceptions	Local only total (\$)	State and local total (\$)
Exception (a)	60,000	60,000
Exception (b)	297,568	450,243
Exception (c)	50,000	50,000
Exception (d)	100,000	100,000
Exception (e)	10,000	10,000
TOTAL	517,568	670,243

Effect of Exceptions on Total Required Level of Effort

Local only total

\$5,752,983

– 517,568

\$5,235,415

State and local total

\$8,704,693

– 670,243

\$8,034,450

Calculating Allowed Exceptions: Per Capita Methods

Per capita exceptions	Amounts
Local only total exceptions	\$517,568
Child count last year LEA MOE was met for local only per capita method	600
Allowed local only per capita exception	$(\$517,568 / 600) = \862.61

Calculating Allowed Exceptions: Per Capita Methods

Per capita exceptions	Amounts
Local only total exceptions	\$517,568
Child count last year LEA MOE was met for local only per capita method	600
Allowed local only per capita exception	$(\$517,568 / 600) = \862.61
State and local total exceptions	\$670,243
Child count last year LEA MOE was met for state and local per capita method	580
Allowed state and local per capita exception	$(\$670,243 / 580) = \$1,155.59$

Effect of Exceptions on Per Capita MOE

Local only per capita	State and local per capita
\$9,919.00	\$15,008.00
– 862.61	– 1,155.59
<hr/>	<hr/>
\$9,056.39	\$13,852.41

\$15,008 x 550	=	\$8,254,400
\$13,852.41 x 550	=	\$7,618,825.50
\$8,254,400 – \$7,618,825.50	=	\$635,574.50

MOE Adjustments or Flexibility (§300.205)

- If the IDEA allocation increases, the LEA, if it meets certain conditions, may reduce its MOE level **up to fifty percent (50%) of the increase** in the allocation
- Conditions
 - Providing FAPE
 - Meets requirements (determinations)
 - Has not been identified with a significant disproportionality





Public Schools of North Carolina

Maintenance of Effort Exception Letter

Sample Exception Letter

Dear Ms. Thomas
Sherry Thomas, State Exception Children Director
Exceptional Children Division
6356 Mail Service Center
Raleigh, NC 27699-6356

Dear Ms. Thomas:

Alpha Academy 26B did not maintain maintenance of fiscal effort between the 2017-18 and the 2018-19 school year.

However; using 34 CFR§300.204 Exception- Decrease in child count, with the exception amount of \$8,821.13, and using 34 CFR§300.205 Adjustment – the total LEA Part B allocation under section 611 for current grant fiscal year exceeds the amount the LEA received for the previous fiscal year, with the adjustment amount of \$5,340.00, Alpha Academy will meet in MOE method local expenditures only.

Please contact me at 910 223-7711 email at Eslocum@alphacademy.net, if you require any additional information or have questions regarding what has been submitted.

Thank you for your consideration.

Sincerely,

Eugene Slocum,

Superintendent
Alpha Academy





Chat about It





Public Schools of North Carolina

Maintenance of Effort Change Request

Correction Request Form for 2020-21 IDEA, Part B (611) Grant
Maintenance of Fiscal Effort (MOE) FY 2018-19 Expenditures

Change Request Form

LEA/CS/ SOP#	LEA/CS/SOP Name	Funds Spent 2018-19 <i>Incorrect</i> <i>Total State and Local Expenditures</i>	Funds Spent 2018-19 <i>CORRECT</i> <i>Total State & Local Expenditures</i>	Funds Spent 2018-19 <i>Incorrect</i> <i>Total Local Expenditures Only</i>	Funds Spent 2018-19 <i>CORRECT</i> <i>Total Local Expenditures Only</i>



LEA/CS/ SOP#	LEA/CS/SOP Name	Funds Spent 2018-19 <i>Incorrect</i> <i>Total Per Child State and Local Expenditures</i>	Funds Spent 2018-19 <i>CORRECT</i> <i>Total Per Child State & Local Expenditures</i>	Funds Spent 2018-19 <i>Incorrect</i> <i>Total Per Child Local Expenditures Only</i>	Funds Spent 2018-19 <i>CORRECT /</i> <i>Total Per Child Local Expenditures Only</i>





Public Schools of North Carolina

Maintenance of Effort Findings

MOE Team Activity

- Team A – MOE Calculator Activity
 - Adam, Elizabeth, Lori, Dawn
- Team B – MOE Calculation Form Activity
 - Khalila, Jennifer, Kelley





Public Schools of North Carolina

Maintenance of Effort Next Steps

MOE Calculator V.1.4

LEA Name		Multi-Year MOE Summary								
Fiscal Year	Standard	Child Count	Local Total Amount	Local Total MOE Result	State and Local Total Amount	State and Local Total MOE Result	Local Per Capita Amount	Local Per Capita MOE Result	State and Local Per Capita Amount	State and Local Per Capita MOE Result
2015-2016	Compliance (Expenditures)									
2016-2017	Compliance (Expenditures)									
2017-2018	Compliance (Expenditures)									
2018-2019	Compliance (Expenditures)									
2019-2020	Eligibility (Budget)									
2020-2021	Eligibility (Budget)									
2021-2022	Eligibility (Budget)									
2022-2023	Eligibility (Budget)									
2023-2024	Eligibility (Budget)									
2024-2025	Eligibility (Budget)									

Version 1.4 Extended, December 2019. Please ensure that you are using the most recent version of the Calculator by going to: <https://sifr.wa2ed.org/resource/lea-moe-calculator/>.



MOE Data History

- One Drive Shared File
- SPD Section
- Fiscal Monitors Team
- Completed MOE Forms
 - *MOE Expenditure Reviews (Statewide)*
 - *MOE Exception Letters*
 - *MOE Calculation Forms (SPD)*
 - *MOE Calculator Versions (CIFR)*
 - *MOE Correction Request Forms*



LEA MOE Resources

CIFR LEA MOE Resource Page: cifr.wested.org/resources/lea-moe

[CIFR: LEA MOE Organizer](#)

[CIFR: LEA MOE Quick Reference Guide](#)

[CIFR: LEA MOE Calculator](#)

[OSEP: Letter to Lovato](#)

[OSEP: Questions and Answers on IDEA Part B LEA MOE Requirements](#)

[OSEP: Letter to Gonzalez](#)

[IDC: MOE Reduction Eligibility Decision Tree and Worksheets](#)

LEA MOE Resources

The most current LEA MOE regulations (April 2015):

- <https://www.gpo.gov/fdsys/pkg/FR-2015-04-28/pdf/2015-09755.pdf> (newest regulations start on page 23666)
- CIFR's Quick Reference Guide: <https://cifr.wested.org/wpcontent/uploads/2015/12/CIFR-LEA-MOE-QRG.pdf>
- OSEP's LEA MOE Guidance Q&A: <https://osep.grads360.org/services/PDCService.svc/GetPDCDocumentFile?fileId=14178>
- [CIFR: LEA MOE Quick Reference Guide](#)
- [OSEP: Questions and Answers on IDEA Part B LEA MOE Requirements](#)





Follow-up





Public Schools of North Carolina

Thanks for participating!!

